



Norfolk Southern Corporation
Three Commercial Place
Norfolk, Virginia 23510-2191
Telephone (757) 629-2370
Fax (757) 629-2345

James A. Hixon
Executive Vice President
Law and Corporate Relations

February 24, 2014

The Honorable William D. Euille
Mayor, City of Alexandria
City Hall
301 King Street
Alexandria, VA 22314

Dear Mayor Euille:

Re: Norfolk Southern Railway Company's Van Dorn Street Transloading Facility

We received your January 9 letter regarding Norfolk Southern's Van Dorn Street transloading facility. We appreciate your acknowledgement of the voluntary efforts Norfolk Southern has undertaken to work with representatives of the City of Alexandria related to the railroad's operations at this facility, which is an integral part of its operations and an important part of the northern Virginia economy.

We also appreciate that your letter praises Norfolk Southern for its communications and certain other efforts. However, it suggests that we have been making little or no progress on several other actions, and we would like to clarify and provide an update on those noted items. Specifically, as indicated in your recent letter, it appears as though you are most interested in feedback on vegetation near the Cameron Station community, a public meeting related to the current operations at the facility, and operational changes at the facility.

As an initial matter, Norfolk Southern has considered and approved the City's request for a vegetative buffer on areas of its property near the Cameron Station community. As you can imagine, given the operating right of way and safety and engineering concerns, such a request needed to be vetted through many departments internally to ensure the buffer could be constructed in such a way that would not compromise the safety of railroad operations or track stability in the vicinity. As discussed at the end of last year between our designated representative, Scott Muir, and representatives from your office, Norfolk Southern will allow for such a vegetative buffer on certain parts of its property as necessary, but will need to rely on the City to obtain access to plant or maintain the vegetation if and as necessary. We anticipate that such plantings would begin in spring 2014, subject to the City's schedule, and Mr. Muir looks forward to working with your designated representative on the specific design and schedule. In addition, Norfolk Southern is happy to discuss financial support for the plantings.

As you no doubt are aware, we have been making a concerted effort to maintain a line of communication with the public officials designated by your office. In that vein, we have answered many questions and have endeavored to ensure the designated representatives are aware of a variety of matters, including certain routine matters, in which they or your constituents may have an interest. We expect that the public officials will have a sense of what may rise to the level of public interest, and in that regard will communicate further as necessary. Indeed, there is a dedicated section on the City's website designed to address the Van Dorn Street facility and issues perceived by the City related to the facility, and City officials often have posted information for public review, including information on our June 2013 meeting. That said, however, if the Virginia Department of Environmental Quality (VDEQ) decides to host a public meeting after it makes a determination on the pending air permit issues, or if the City decides to convene a meeting with representatives of the community, Norfolk Southern will participate as appropriate.

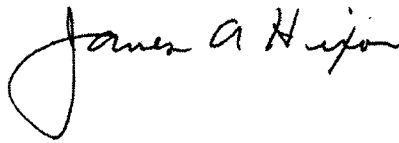
With respect to your request for operational changes, Norfolk Southern has taken a close look at the operations at the facility in an attempt to identify changes that can be made to reduce night time switching while maintaining operational requirements. As Mr. Muir previously has communicated to the City's representatives, at this time Norfolk Southern has not identified any operational modifications that can be made to the existing operation to reduce night time train activity. It is important to note generally that railroad operations are interrelated and complex. Changes in operations at one facility may affect not only operations elsewhere on our railroad, but also may adversely affect customers' service and drayage, as well as the operations of other railroads with which we interchange and in turn operations of those with which those railroads interconnect. In addition, as you may recall, our railroad operations in this vicinity also must accommodate the Virginia Railway Express commuter traffic. Given the operational constraints here, it is not feasible to significantly alter the current operations without interfering with safety and/or our ability to serve our customers. As such, eliminating or reducing night time operations simply is not feasible at this time. However, as noted below, facility improvements may provide opportunities for changes in operations.

Although not mentioned in your January letter, we take this opportunity also to update you on the pending air permit matter. As you are aware, Norfolk Southern sought formal VDEQ approval in 2013 for qualification under an exemption or in the alternative for an air permit that would accommodate additional capacity at the facility. We understand from permit-related discussions with the agency that it agrees with the exemption, and we recently have memorialized that understanding in a letter to the VDEQ, which letter we also copied to you. The permit application had been made to ensure Norfolk Southern railroad service continues to meet customer/marketplace demand without interruption. We note that facility improvements, such as addition of track, may provide an opportunity to alleviate some of the night time switching activity and its associated noise. Such infrastructure improvements could lead to the need for fewer switching moves to occur nightly because of a reduced need to position sections of a train into and out of the facility. For instance, addition of track to accommodate a larger but less frequent block of rail cars at the facility could reduce significantly train arrival and departure activity. It also could shift the ethanol truck loading further west of the present operation to a location further away and more visually shielded from the Cameron Station community.

The Honorable William D. Euille, Mayor
February 24, 2014
Page 3

We anticipate that our designated contact, Mr. Muir, will continue to communicate directly with the City's designated point of contact, Mr. Bill Skrabak, as warranted regarding the Van Dorn Street facility activities, and in particular will coordinate the details of installation of the vegetative buffer as necessary. If you have further questions or concerns, Mr. Muir can be reached at (202) 675-8207 or Charles.Muir@nscorp.com. We look forward to continuing a cooperative relationship regarding the Van Dorn Street facility.

Sincerely,

A handwritten signature in black ink that reads "James A. Hixon". The signature is fluid and cursive, with the first name "James" being more prominent and the last name "Hixon" following in a similar style.

James A. Hixon

cc: C.W. Moorman
C.S. Muir

bc: S.D. McGregor
L.D. Marilley
R.P. Russell
H.M. Hart
M.A. Gernand
R.C. Chapman